An empirical review of youth employment policies (YEPs) and their impact in Ghana

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Key messages

- The centralization of youth employment policies and related programmes (YEPs), under one ministry can minimize programme duplication and strengthen coordination across youth-related agencies and government units.

- The consideration of exit strategies for beneficiaries at the early stages of YEP design can ensure the creation of long-lasting jobs for youth when they leave a programme.

- The institutionalization of impact evaluation for youth employment programmes, and the utilization of evaluation findings, can ensure efficient resource use and inform the design and implementation of sustainable YEPs in the future.

Ghana faces high rates of youth unemployment and under-employment

- The country’s youth unemployment rate is higher than the national average, even though youth account for a rising share of the population:
  - Those aged 15 to 35 years accounted for 38.2% of the population in 2021 – up from 34.6% in 2000.
  - One in every five youth (19.7%) aged 15 to 35 years is unemployed, compared to the nationwide unemployment rate of 13.4%. (GSS, 2021)
  - The situation is even more severe for youth aged 15 to 24, given an estimated unemployment rate of 32.8% among this age group in 2021. (GSS, 2021)
  - Youth unemployment is higher among women (22.3%) than among men (17.4%). It is also higher in urban areas (20.4%) than in rural parts of the country (18.7%). (GSS, 2021)
  - The incidence of under-employment is higher among youth, persons with disabilities and women. (GSS, 2018)

- Only 40% of the youth who are employed work in jobs that are secure and that are supported by written contracts, while 20% are engaged in vulnerable jobs and 37% in moderately secure jobs. (GSS, 2018)

- The key factors affecting employment outcomes include the limited opportunities for employment in the formal sector, as well as various issues related to education.
The study

Over the years, various governments have dedicated major resources to the design and implementation of policy interventions to address Ghana’s youth employment challenges. These interventions are spread across a broad spectrum from skills training and job placement matching, to seed capital and subsidies. However, there are no systematic documentation and evaluation of the impacts of the public initiatives to understand and guide policy makers on what works best in reducing youth unemployment in Ghana.

From the wide range of existing, government-led interventions, we focus our review on four that can be considered as the “main programmes”, as they have a relatively wider scope and coverage in terms of population and categories of youth in Ghana.

These main, existing youth employment programmes are:

• **The Youth Employment Agency’s (YEA) youth employment modules.** These cover entrepreneurship training, skills training and development, employment support services, job placement, seed capital and subsidies.

• **The Nation Builders Corps (NABCO).** This on-the job skills training programme aims to equip beneficiaries (tertiary level graduates) with necessary skills through temporary employment that could lead to a permanent job in the future.

• **National Entrepreneurship and Innovation Programme (NEIP).** This provides business support services, incubators for start-ups, and funding for young businesses.

• **National Service Scheme.** This school-to-work transition mechanism provides short-term employment and skills development for young graduates.

Three additional options are also considered as viable alternative measures or initiatives for the government to improve youth employment outcomes. The first option is currently being considered and implemented by the Ministry of Employment and Labour Relations, while the other two are alternatives we propose for consideration, based on the findings of the current review and the recommendations from stakeholders engaged as part of this study (see “Methodology” below).

Alternative options are:

• **Integrated green jobs programmes.** These would consist of environmentally friendly interventions that have potential linked to inherent and viable value chains that could be harnessed to generate enormous outcomes in terms of job creation.

• **Consolidated youth employment programmes.** These could harmonize, rationalize and coordinate the youth employment programmes that are already being implemented across different sectors, within a common administrative structure.

• **Sector-based youth employment programmes.** These could support the harmonization of YEPs at the sector level so that all YEPs with a common focus are managed by a common administrative structure.

Methodology

A total of 23 policies and programmes have been implemented to address issues of youth employment in Ghana since the year 2000. Seven of those programmes were selected for review, and evaluated using desk reviews of technical reports, annual progress reports of relevant ministries and government agencies, as well as scientific literature (journal articles). To supplement these materials, we also collected a set of nationally-representative quantitative data, complemented by qualitative data.

A total of fifty-two (52) individual interviews and twelve (12) distinct focus group discussions (FGDs) were conducted across the seven (7) selected programs in four regions: Greater Accra, Ashanti, Bono, and Northern regions - reflecting the different ecological zones of Ghana.

Out of the fifty-two interview participants, eight (8) were key Informants, including the Directors of the programs (or of the institutions responsible for the programs’ implementation), as well as representatives of relevant civil society organizations and NGOs. Focus group discussions were conducted with beneficiaries of the selected programs.

The descriptive statistics on youth labour market and education outcomes are largely based on the Ghana Living Standard Survey (GLSS 7) and the Ghana Demographic and Health Survey (GDHS, 2013) which are both nationally representative quantitative data. We also relied on recent youth unemployment data and other labour market outcomes from the 2021 Population and Housing Census Report.
Key findings

From our evaluation of the four existing YEPs, we have identified the following issues:

- **Weak adherence to programme design** during the implementation phase.
- **Duplication of programmes** across sectors as a result of politicization of the design and implementation of YEPs.
- **Lack of coordination** in the design, implementation and management of YEPs, leading to large inefficiencies.
- **Lack of robust evaluations** to ascertain the impact of the YEPs.
- **Lack of exit strategies for most YEPs**, which means that the programmes are ineffective in solving the youth unemployment challenge.
- **Lack of financial resources**, which constrains the ability of programme managers to implement YEPs as designed.

Meanwhile, our analysis of the three alternative options suggest that they would be effective in closing the existing gaps within the "youth employment policy environment" in Ghana, while creating sustainable long-term jobs.

The advantages and disadvantages of these alternative options are shown in the matrix below.

### Advantages and disadvantages of the three "alternative policy options"

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| **Integrated green jobs programmes** | • Green jobs are fast emerging as effective and efficient alternatives to conversional interventions.  
  • Green jobs initiatives are open to all youth regardless of their gender or disability. | • Green and circular Jobs are preferable for economic and environment sustainability in the long run but require initially high investments. |
| **Consolidated youth employment programmes** | • Efficiency will be enhanced by enhanced coordination and a more synergistic approach to management.  
  • The initial cost is moderate because of the required legal and administrative reviews. | • There is likely to be a long period of policy lag because of the administrative and legal reviews that must accompany this policy option.  
  • Turf wars are likely among sector Ministers as a result of sectoral interests. |
| **Sector-based youth employment programmes** | • Efficiency will be enhanced by improvements in the coordination of programmes on a sectoral basis.  
  • The initial cost will be lower compared to option 2. | • There is likely to be a moderately long period of policy lag because of the need for legal and administrative reviews.  
  • Turf wars are likely among sector Ministers as a result of sectoral interests. |

Source: Authors’ analysis
Conclusions and roadmap

The results of our evaluation of the existing YEPs suggest that, in order to improve the efficiency of interventions in this area, the government should:

- Centralize the design and implementation of YEPs to minimize programme duplication and strengthen coordination among various youth related agencies and units.
- Evaluate YEPs to ensure efficient resource use.
- Consider exit strategies for the beneficiaries as a core requirement during the design stage of all YEPs to ensure the sustainability of the jobs created.

On the other hand, our assessment of potential alternative options leads us to recommend the “consolidation of youth employment programmes” (option 2) as the best course of action. Indeed, this would ensure the effective coordination of the implementing agencies, leading to the elimination of duplication, the provision of tailor-made YEPs and the efficient use of resources.

This may however be achieved gradually: the Government of Ghana may consider starting with sector based and harmonized YEPs, consolidating all YEPs at the sectoral level, alongside policy evaluations to ascertain their impact. The implementation of this approach could become a steppingstone towards the centralization of the design and implementation of YEPs under one ministry.

References


The ‘What Works for Youth Employment in Africa’ initiative

The Partnership for Economic Policy is partnering with the Mastercard Foundation for a three-year initiative on What Works for Youth Employment in Africa. The initiative aims to provide evidence that can drive policy reform to increase youth employment in 10 African countries: Ghana, Kenya, Niger, Nigeria, Rwanda, Senegal, Uganda, Burkina Faso, Ethiopia and South Africa. The initiative aligns with the Mastercard Foundation’s Young Africa Works strategy that seeks to enable 30 million young Africans, particularly young women, to access dignified and fulfilling work by 2030. Teams of local researchers and policy stakeholders are carrying out gender-aware policy and impact reviews in each country. The resulting analysis and findings will build a body of knowledge on youth employment policy in Africa, and will be stored in a new online knowledge repository.

For more information, please visit:

www.pep-net.org/programs/youth-employment